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10 UNITED STATES BANKRUPTCY COURT
11 FOR THE DISTRICT OF OREGON
12

13 In re)	Case No. 10-60244-aer11
)	
14 Arlie & Company,)	UNITED STATES TRUSTEE'S
)	OBJECTION TO DEBTOR'S
15 Debtor.)	MOTION FOR DETERMINATION
)	THAT PROPOSED NONLOCAL
16)	COUNSEL'S FEES ARE
17)	CONSISTENT WITH LOCAL
)	BANKRUPTCY RULE 2016-1(b)(4)
18)	Hearing: October 20, 2010
19)	

20 The United States Trustee ("UST"), Robert D. Miller Jr., by and through his
21 counsel, P. Rebecca Kamitsuka, hereby objects to the Debtor's Motion for
22 Determination That Proposed Nonlocal Counsel's Fees Are Consistent with Local
23 Bankruptcy Rule 2016-1(b)(4)(the "Motion")(Docket #274). The UST objects to the
24 Motion for the following reasons:

25 1. The Motion prematurely seeks approval that Palchulski, Stang, Ziehl & Jones,
26 LLP's ("PSZJ") hourly rates are reasonable. As PSZJ itself notes, the

1 reasonableness of professional fees is evaluated under 11 U.S.C. § 330(a)(3), which
2 instructs courts to consider hourly rates as a component of the overall compensation
3 analysis. The reasonableness of the rate can not be evaluated independently of other
4 factors, such as the time spent, the nature of the services, and the necessity for and
5 benefits of the services.

6 2. The pre-determination envisioned by Local Bankruptcy Rule 2016-1(b)(4)
7 relates to whether or not competent local counsel is available. The Local Rule does not
8 contemplate a pre-determination of appropriate hourly rates or whether or not non-local
9 counsel's proposed hourly rates are consistent with local counsel's hourly rates.¹

10 3. PSZJ's proposed hourly rates are higher than are typical for debtor's counsel
11 in Oregon. Although the UST does not object to the proposed hourly rates in and of
12 themselves, the UST objects to any proposed factual finding that the proposed hourly
13 rates are consistent with those typically charged by local counsel.

14 DATED this 18th day of October, 2010.

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16 Respectfully submitted,

17 ROBERT D. MILLER JR.
18 United States Trustee

19 /s/ P. Rebecca Kamitsuka
20 P. REBECCA KAMITSUKA, OSB #93326
21 Attorney for the United States Trustee
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26 ¹This UST objection does not advocate enforcement of Local Bankruptcy Rule 2016-1(b)(4) or take a position on its legality or consistency with the Bankruptcy Code.

CERTIFICATE OF SERVICE

I, P. Rebecca Kamitsuka, hereby certify as follows:

1. On October 18, 2010, the attached document was served on the persons shown below by depositing a true copy thereof, in a sealed envelope with First-Class postage prepaid and addressed as shown below, in the U.S. Mail, at Eugene, Oregon.

David E. Bomar Balzhiser & Hubbard Engineers, Inc. 100 W 13 th Ave Eugene, OR 97401	Mike Broadsword Eugene Sand & Gravel PO Box 1067 Eugene, OR 97440
Gregory Brokaw Rowell Brokaw Architects, PC 1 East Broadway #300 Eugene, OR 97401	James R. Hanks JRH Transportation Engineering 4765 Village Plaza Lp #201 Eugene, OR 97401
NW Natural Gas Co. 220 NW Second Ave Portland, OR 97209	Michael Roberts 1919 Myers Rd Eugene, OR 97401
Jerry Vicars Fabrication & Mechanical Group, Inc. PO Box 42173 Eugene, OR 97404	Wm Thomas Construction PO Box 2409 Florence, OR 97439

2. Based on the Bankruptcy Court's Electronic Case Filing records, the following person(s) should be served electronically when the attached document is filed with the Court:

Gilbert B. Wiesman (for American express Bank FSB)
 John F. Barg (for Suzanne Arlie; and John Musuemci)
 Linda Cantor (for Debtor Arlie & Company)
 John D. Fiero (for Debtor Arlie & Company)
 Michael P. Kearney (for Debtor Arlie & Company)
 Justin D. Leonard (for Debtor Arlie & Company)
 Jonathan Polland (for Debtor Arlie & Company)
 Brad T. Summers (for Debtor Arlie & Company)
 Douglas R. Wilkinson (for Debtor Arlie & Company)
 Michael W. Fletcher (for Debtor Arlie & Company; & Tonkon Torp, LLP)
 James K. Hein (for Debtor Arlie & Company)
 Albert N. Kennedy (for Debtor Arlie & Company; & Tonkon Torp, LLP)
 Daniel P. Pepple (for Bank of America)
 Jackson Schmidt (for Bank of America)
 Wilson C. Muhlheim (for Century Bank; & Pioneer Asset Investment Ltd. of Hong Kong)

Conrad K. Chiu (for Fifth Third Bank)
P. Scott McCleery (for Gartland Nelson, McCleery, Wade & Walloch, PC)
Heather M. Wallock (for Gartland Nelson, McCleery, Wade & Walloch, PC)
Frank F. McGinn (for Iron Mountain Information Management, Inc.)
John D. Albert (for Siuslaw Bank)
Bradley D. Copeland (for Summit Bank)
Andrew P. Parks (for Summit Bank)
John Casey Mills (for Umpqua Bank)
Teresa H. Pearson (for Umpqua Bank)
Douglas R. Schultz (for Unsecured Creditors Committee)
Patrick W. Wade (for Washington Federal Savings)
US Trustee, Eugene

/s/ P. Rebecca Kamitsuka
P. REBECCA KAMTISUKA, OSB #93326
Attorney for United States Trustee